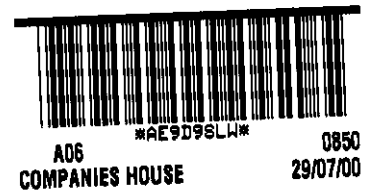


**INNOVATION CENTRE EUROPE LTD**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 1999**



**INNOVATION CENTRE EUROPE LTD**

**COMPANY INFORMATION**

---

**Directors**

Mr Mark Brown  
Mrs Sarah Brown

**Secretary**

Mrs Sarah Brown

**Company Number**

1383541

**Registered Office**

Mackenzie House  
Coach and Horses Passage  
The Pantiles  
Tunbridge Wells, Kent  
TN2 5NP

**Auditors**

Ward Mackenzie  
Mackenzie House  
Coach and Horses Passage  
The Pantiles  
Tunbridge Wells Kent  
TN2 5NP

**INNOVATION CENTRE EUROPE LTD**

**CONTENTS**

---

	<b>Page</b>
<b>Directors' Report</b>	1 to 2
<b>Auditors' Report</b>	3
<b>Profit and Loss Account</b>	4
<b>Balance Sheet</b>	5
<b>Notes to the Accounts</b>	6 to 10
<b>Management Profit and Loss Account</b>	11 to 12

**INNOVATION CENTRE EUROPE LTD**

**DIRECTORS' REPORT**

**FOR THE PERIOD ENDED 31ST DECEMBER 1999**

---

The directors present their report together with the audited accounts for the period ended 31st December 1999.

**Principal Activities and Review of Business**

The company's principal activity continued to be that of the supply of management development and training consultancy products and services.

**Results and Dividends**

The results for the period are set out in the profit and loss account on page 4.

The directors consider the loss achieved on ordinary activities before taxation to be £ 2,293.

The directors consider the state of the company's affairs to be satisfactory.

The directors recommend dividends amounting to £41,000 (1999 £-).

**Directors**

The directors who served during the period and their beneficial interests in the company's issued share capital were:

	<b>Ordinary Shares</b>	
	<b>31st</b>	<b>1st</b>
	<b>December</b>	<b>February</b>
	<b>1999</b>	<b>1999</b>
Mr Mark Brown	<b>56</b>	<b>56</b>
Mrs Sarah Brown	<b>44</b>	<b>44</b>

**Political and Charitable Contributions**

The company made no political contributions during the period. The company made charitable donations of £1000 during the period.

**INNOVATION CENTRE EUROPE LTD**

**DIRECTORS' REPORT**

**FOR THE PERIOD ENDED 31ST DECEMBER 1999**

---

**Directors' Responsibilities**

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of the company's affairs and of the profit or loss for that period. In preparing these accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on 3 July 2000, and signed on its behalf.

*Sarah Brown*

Mrs Sarah Brown, Secretary

Date: 31/7/00

**AUDITORS' REPORT TO THE**  
**SHAREHOLDERS OF INNOVATION CENTRE EUROPE LTD**

---

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective Responsibilities of Directors and Auditors**

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 1999 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Ward Mackenzie**  
**Accountants and Registered Auditors**  
**Mackenzie House**  
**Coach and Horses Passage**  
**The Pantiles**  
**Tunbridge Wells Kent**  
**TN2 5NP**

**Date:** 3 July 2000

**INNOVATION CENTRE EUROPE LTD**

**PROFIT AND LOSS ACCOUNT**

**FOR THE PERIOD 1ST FEBRUARY 1999 TO 31ST DECEMBER 1999**

	Notes	1999 £	1999 £
<b>Turnover</b>	2	246,293	380,516
Cost of Sales		9,869	86,177
<b>Gross Profit</b>		236,424	294,339
Administrative Expenses		239,326	293,462
<b>Operating Loss/Profit</b>	3	(2,902)	877
Interest Receivable		1,516	2,385
Interest Payable and Similar Charges	4	(907)	(317)
<b>Loss/Profit on Ordinary Activities before Taxation</b>		(2,293)	2,945
Tax on loss/profit on ordinary activities	6	1,892	2,875
<b>Loss/Profit for the Financial Period</b>		(4,185)	70
Dividends	7	41,000	-
<b>Retained Loss/Profit for the Period</b>	16	(45,185)	70
<b>Retained Profit Brought Forward</b>		109,542	109,472
<b>Retained Profit Carried Forward</b>		64,357	109,542

**INNOVATION CENTRE EUROPE LTD**

**BALANCE SHEET**

**AS AT 31ST DECEMBER 1999**

	Notes	£	1999 £	£	1999 £
<b>Fixed Assets</b>					
Intangible assets	8		50		50
Tangible assets	9		22,802		43,893
			<u>22,852</u>		<u>43,943</u>
<b>Current Assets</b>					
Stocks	10	4,085		4,085	
Debtors	11	26,099		17,101	
Cash at bank and in hand		38,098		85,574	
		<u>68,282</u>		<u>106,760</u>	
<b>Creditors: Amounts Falling Due Within One Year</b>	12	<u>22,778</u>		<u>32,874</u>	
<b>Net Current Assets</b>			<u>45,504</u>		<u>73,886</u>
<b>Total Assets Less Current Liabilities</b>			<u>68,356</u>		<u>117,829</u>
<b>Creditors: Amounts Falling Due After More Than One Year</b>	13		<u>3,899</u>		<u>8,187</u>
			<u>64,457</u>		<u>109,642</u>
<b>Capital and Reserves</b>					
Share capital	15		100		100
Profit and loss account	16		64,357		109,542
<b>Shareholders' Funds</b>			<u>64,457</u>		<u>109,642</u>

*W E Brown*  
*3 July 2000*

# **INNOVATION CENTRE EUROPE LTD**

## **NOTES TO THE ACCOUNTS**

### **FOR THE PERIOD ENDED 31ST DECEMBER 1999**

---

#### **1 Accounting Policies**

##### **Basis of Accounting**

The Accounts have been prepared under the historical cost convention.

##### **Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

##### **Depreciation**

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates and periods generally applicable are:

Motor vehicles	- 25% on cost
Furniture and equipment	- 20% on cost

##### **Stocks**

Stocks are stated at the lower of cost and net realisable value.

##### **Deferred Taxation**

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

##### **Contribution to Pension Funds**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

##### **Leased Assets**

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term.

#### **2 Turnover**

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

**INNOVATION CENTRE EUROPE LTD**

**NOTES TO THE ACCOUNTS**

**FOR THE PERIOD ENDED 31ST DECEMBER 1999**

**3 Operating Loss**

*The operating loss is arrived at after charging or crediting:*

	1999	1999
	£	£
Depreciation of owned assets	21,091	22,414
Hire of equipment	1,646	-
Auditors' remuneration	1,500	2,013

**4 Interest Payable and Similar Charges**

	1999	1999
	£	£
Bank overdrafts and loans	39	5
Finance leases and hire purchase contracts	868	312
	907	317

**5 Directors and Employees**

Staff costs, including directors' remuneration, were as follows:

	1999	1999
	£	£
Wages and salaries	98,176	158,905
Social security costs	10,751	15,617
Other pension costs	13,271	14,477
Other costs	2,971	(373)
	125,169	188,626

Directors' emoluments

	1999	1999
	£	£
Emoluments	78,086	137,627
Directors' pension contributions under defined contribution schemes	13,271	14,477
	91,357	152,104

**6 Taxation**

	1999	1999
	£	£
Based on the loss/profit for the period		
UK corporation tax at 21% (1999 24% and 21%)	1,892	2,911
	1,892	2,911
Prior periods		
UK corporation tax	-	(36)
	1,892	2,875

# INNOVATION CENTRE EUROPE LTD

## NOTES TO THE ACCOUNTS

### FOR THE PERIOD ENDED 31ST DECEMBER 1999

<b>7</b>	<b>Dividends</b>	<b>1999</b>	<i>1999</i>
		<b>£</b>	<b>£</b>
	Ordinary dividends - paid	<b>41,000</b>	-
		<b>41,000</b>	-

<b>8</b>	<b>Intangible Fixed Assets</b>	<b>Patents and Trademarks</b>	<b>Total</b>
		<b>£</b>	<b>£</b>
	<b>Cost</b>		
	At 1st February 1999	50	50
	<b>At 31st December 1999</b>	<b>50</b>	<b>50</b>
	<b>Net Book Values</b>		
	At 31st December 1999	50	50
	<i>At 31st January 1999</i>	<i>50</i>	<i>50</i>

<b>9</b>	<b>Tangible Fixed Assets</b>	<b>Motor Vehicles</b>	<b>Furniture and Equipment</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	<b>Cost</b>			
	At 1st February 1999	63,514	49,823	113,337
	<b>At 31st December 1999</b>	<b>63,514</b>	<b>49,823</b>	<b>113,337</b>
	<b>Depreciation</b>			
	At 1st February 1999	33,642	35,802	69,444
	Charge for the period	14,555	6,536	21,091
	<b>At 31st December 1999</b>	<b>48,197</b>	<b>42,338</b>	<b>90,535</b>
	<b>Net Book Value</b>			
	<b>At 31st December 1999</b>	<b>15,317</b>	<b>7,485</b>	<b>22,802</b>
	<i>At 31st January 1999</i>	<i>29,872</i>	<i>14,021</i>	<i>43,893</i>

Assets held under finance leases originally cost £24,035 (1999: £24,035) and have a net book value of £12,017 (1999: £18,026).

**INNOVATION CENTRE EUROPE LTD**

**NOTES TO THE ACCOUNTS**

**FOR THE PERIOD ENDED 31ST DECEMBER 1999**

<b>10</b>	<b>Stocks</b>	<b>1999</b>	<b>1999</b>
		£	£
	Finished goods	4,085	4,085
		<u>4,085</u>	<u>4,085</u>
<b>11</b>	<b>Debtors</b>	<b>1999</b>	<b>1999</b>
		£	£
	Trade debtors	26,099	17,101
		<u>26,099</u>	<u>17,101</u>
<b>12</b>	<b>Creditors: Amounts Falling Due Within One Year</b>	<b>1999</b>	<b>1999</b>
		£	£
	Obligations under hire purchase and finance lease contracts	4,678	4,678
	Corporation tax	1,892	2,911
	Other taxes and social security	11,773	17,857
	Directors' loan accounts	1,710	1,475
	Accruals and deferred income	2,725	5,953
		<u>22,778</u>	<u>32,874</u>
<b>13</b>	<b>Creditors: Amounts Falling Due After One Year</b>	<b>1999</b>	<b>1999</b>
		£	£
	Obligations under hire purchase and finance lease contracts (Note 14)	3,899	8,187
		<u>3,899</u>	<u>8,187</u>
<b>14</b>	<b>Obligations Under Hire Purchase and Finance Leases</b>	<b>1999</b>	<b>1999</b>
		£	£
	Obligations under finance leases and hire purchase contracts are analysed:		
	Current obligations	4,678	4,678
	Obligations due between one and five years	3,899	8,187
		<u>8,577</u>	<u>12,865</u>
<b>15</b>	<b>Share Capital</b>	<b>1999</b>	<b>1999</b>
		£	£
	<b>Authorised</b>		
	<b>Equity Shares</b>		
	100 Ordinary shares of £1.00 each	100	100
		<u>100</u>	<u>100</u>
	<b>Allotted</b>		
	<b>Equity Shares</b>		
	100 Allotted, called up and fully paid ordinary shares of £1.00 each	100	100

**INNOVATION CENTRE EUROPE LTD**

**NOTES TO THE ACCOUNTS**

**FOR THE PERIOD ENDED 31ST DECEMBER 1999**

---

**16 Reserves**

	<b>Profit and Loss Account</b>
	<hr/>
	<b>£</b>
At 1st February 1998	109,472
Loss/Profit for the period	70
	<hr/>
At 1st February 1999	109,542
Loss/Profit for the period	(45,185)
	<hr/>
<b>At 31st December 1999</b>	<b>64,357</b>
	<hr/>